SASKATOON ECONOMIC SITUATION
AS OF JUNE 30, 1984

SUMMARY

For the first six months in 1984 the level of economic activity remained fairly strong in Saskatoon. Many companies enjoyed an increase in sales volume through more agressive marketing efforts and with higher productivity being achieved, improvement in earnings was experienced. Saskatoon was reported to have the second highest job growth in the past year of all Canadian cities with population exceeding 100,000. The Consumer Price Index for Saskatoon has risen a modest 3.9% over the twelve month period ending in June.

The opening of the Circle Drive Bridge in July of 1983 has generated a good deal of interest for developers wanting to capture market potential arising from the marked increase in traffic flow. A number of automobile dealerships, new retail commercial developments and relocated service firms have established along Circle Drive. Another development that has gained attention is AgriPlace, the one-stop shopping center for the farming community. It will be accommodating many of the major implement dealers and agri-businesses in newly constructed facilities.

Some other indicators, briefly described in this mid-year update, include the following:

- Saskatchewan farm cash receipts for the first 5 months of 1984 are estimated at $1.85 billion, 1% down from the corresponding period in 1983. This situation will deteriorate with the prospect of a reduced crop yield and the prevailing low commodity prices.
- the overall value of building permits issued by the City of Saskatoon amounted to $106.2 million for the first 6 months of 1984, almost 23% lower than the similar term in 1983.
- the announcement by Husky Oil of the $3.2 billion heavy oil upgrader and the upturn in potash sales will provide

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a stimulus to Saskatoon's manufacturing, service and supply firms.

- Saskatchewan Hospital Services Plan has estimated the population of Saskatoon as of June 30, 1984 to be 170,748, a significant 3.9% growth in comparison to the previously reported statistic of 164,304 as of June 30, 1983.

A G R I C U L T U R E

Total cash receipts from farming operations in Saskatchewan for the January - May 1984 period are estimated at $1.85 billion, marginally less than the $1.87 billion recorded for the corresponding period one year earlier.

Total returns to farmers during the January - May 1984 period from the sale of field crops, cash advances on farm-stored grains and Canadian Wheat Board participation payments amounted to $1.55 billion compared to $1.57 billion for the same period in 1983.

The harvest outlook appears grim due to the severe heat and lack of rainfall particularly in the southern half of the province. Overall crop yields and receipts could be reduced by 20% to 30% from last year. Uncertainty about interest rates, depressed world commodity prices and increased transportation cost due to the changes in the Crow's Nest Pass freight rate will have a serious effect on farm income.

Total cash receipts to farmers from the sale of livestock and livestock products during the January - May 1984 period increased 6% to $300.8 million, up from $283 million for the same period in 1983.

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CONSTRUCTION

Building permits for residential construction, including one family and two family dwellings, additions to existing dwellings and private garages, have reached $35.2 million (1,217 permits) for the first 6 months in 1984. This total compares with $57.4 million (1,864 permits) in residential construction for the similar period in 1983.

Permits for one and two family dwellings alone have amounted to 489, in contrast to 1, 032 permits taken out in the same period in 1983. There were 421 city-owned residential lots purchased in the first 6 months of 1984 as compared to 684 in the similar time frame in 1983.

For the first 6 months of 1984, 12 permits for a value of $21.0 million were issued for the construction of apartments and housing projects. This compares to the 1983 figures of 21 permits for $24.4 million.

Canada Mortgage and Housing Corporation released its semi-annual vacancy rate survey for Saskatoon apartments. Conducted during April 1984 the survey covered all self-contained rental apartment units in buildings of six units or more. The April 1984 vacancy rate for privately initiated rental apartments in the City was 4.8%, an increase over the 2.3% recorded in October 1983, and 3.4% recorded in April 1983. The vacancy rate for publicly initiated rental space was 0.2% in April 1984. Combined with privately initiated rental apartments, an overall vacancy rate of 4.3% existed for the City of Saskatoon. The vacancy rate will come down substantially in September when an expected record 14,700 day-time students enrol at the University of Saskatchewan.

The commercial category (comprised of hotels, motels, shopping centres, restaurants and offices) reflected an increase in the number of permits registered for the first 6 months (155 versus 119 in 1983) but the value of construction decreased from $24.4 million to $12.4 million. The rate of activity is an encouraging sign as the $40 million Ramada

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Renaissance accounted for a significant portion of both commercial and residential construction last year. A recent A. E. LePage quarterly report stated that vacancies for Class A office space were quickly declining and that speculative construction would commence later this year.

Similar to the commercial sector, the industrial category (warehouses, factories and manufacturing) has witnessed more permits taken out from January to the end of June this year than in the previous year. Forty-three permits for a value of $3.3 million compares to 29 permits valued at $5.2 million. There appears to be a brisk demand for warehouse/warehouse office space ranging up to 3,000 sq. ft. and it is expected that new developments will be proposed to meet this need.

The institutional category describing projects related to hospitals, churches, public and educational buildings is roughly the same as to the number of permits; however, the value of construction for the first 6 months of this year exceeded the value for the corresponding period in 1983 by $5.5 million.

EXHIBIT 1

CUMULATIVE CONSTRUCTION TOTALS FOR PERIOD ENDING JUNE 29, 1984

TYPE OF CONSTRUCTION	1984 No. of Permits	1984 Value	1983 No. of Permits	1983 Value
Residential	1217	$ 35,250,300	1864	$ 57,403,400
Apartments	12	21,000,000	21	24,426,000
Commercial	155	12,363,000	119	24,392,000
Industrial	43	3,380,000	29	5,259,000
Institutional	43	30,900,000	41	25,493,000
Other	149	3,355,800	125	729,500
TOTALS	1619	$106,249,100	2199	$137,702,900

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EXHIBIT 2

LIST OF MAJOR PROJECTS ANNOUNCED* OR UNDERWAY AS OF JUNE 30, 1984

ORGANIZATION or FIRM	PROJECT	VALUE
Government of Canada*	Hydrology Institute	$18,000,000
Government of Canada	Biotechnology Centre Expansion	6,000,000
Government of Canada	Linear Accelerator	1,000,000
Government of Saskatchewan*	Special Care Home	17,000,000
University of Saskatchewan	Geological Sciences Complex	11,347,000
University of Saskatchewan*	Agricultural Complex	10,000,000
St. Paul's Hospital	Addition and Renovation	13,000,000
University Hospital	Renovation	4,700,000
YWCA	New Complex	4,200,000
Saskatchewan Housing Corp.	Apartment - 117 units	4,728,000
City of Saskatoon*	2 Recreation Complexes	12,000,000
City of Saskatoon	City Hall Alteration	2,097,000
City of Saskatoon	Water Treatment Plant	2,000,000
Board of Education	New School	2,406,000
Princeton Developments	Office Tower and Retail	30,000,000
Penner Properties	Apartment - 200 units	10,000,000
Weldon's Concrete Products*	New Plant	1,000,000
Northern Industrial Plating	New Plant	350,000
Craft Litho	New Plant	240,000
Vakhos Restaurant	New Restaurant	550,000
Plainsman Developers	Retail Mall	1,000,000
Fischer Construction	Residential/Office Complex	15,000,000
Western Limited	Retail Mall	1,100,000
Remai Construction	Apartment/Commercial Complex	1,500,000

EXHIBIT 2
(continued from page 5)

LIST OF MAJOR PROJECTS ANNOUNCED* OR UNDERWAY AS OF JUNE 30, 1984

ORGANIZATION of FIRM	PROJECT	VALUE
Saskatoon Fresh Pack Potatoes Ltd *	Plant Addition	$ 1,600,000
Angwin Consolidated*	Residential/Commercial Complex	7,000,000
Alliance Church*	Special Care Home	4,000,000
Embassy Apartments	Apartment - 37 units	1,036,000
Park Terrace Joint Venture	Apartment - 25 units	1,200,000
Anaheim Management	Apartment - 62 units	2,500,000
Birchwood Holdings	Apartment - 35 units	997,000

MANUFACTURING AND TRADE

Saskatoon possesses a highly diversified manufacturing, processing and service base as outlined in Exhibit 4. Saskatoon is recognized as the provincial center for education and health, electronics, food processing, metal fabricating, transportation, textiles, commercial financing and research and development.

The high-growth research and development industrial sector was bolstered with the announcement that $3.59 million will be available to establish the Saskatchewan Advanced Technology Training Center at Kelsey Institute in Saskatoon. The objective of the center will be to train and upgrade skills of technicians and technologists required for the province's high technology industrial development particularly in the area of computer-assisted design and computer-assisted manufacturing industries.

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Husky Oil will be building a $3.2 billion heavy oil upgrader on the Saskatchewan side of the border at Lloydminster that will have a very positive economic impact on the Saskatoon economy. The upgrader will have an output of 54,000 barrels a day, producing 42,000 barrels a day of syncrude, 8,000 barrels a day for an asphalt plant and 4,000 barrels a day of refinery fuel for internal refinery use. The upgrader project will take approximately 5 years to bring on-stream and will have a life of roughly 28 years. Over this period, total construction and operating costs are projected to approach $34 billion. Feedstock will be obtained equally from Saskatchewan and Alberta. It is estimated that over 2,000 wells will be drilled in the two provinces during the first 5 years after the initiation of the project. Direct, indirect and induced employment generation will amount to 425,000 man-years over the life of the project. For the first 5 years Saskatchewan is expected to benefit by the creation of 43,555 man-years of employment.

The stimulus to the economy is already being felt as the Canadian Petroleum Association, Saskatchewan Division, reported that more than 30 new companies registered to conduct business in Saskatchewan in the oil and gas related fields. Over 1,060 wells have been completed which represents an approximate 85% increase over 1983 when a record number of wells had been drilled.

The resurgence of the potash industry has provided a most-welcome boost to the service and supply companies in Saskatoon. For the fertilizer year July to June, potash sales to Canada and the United States have increased by 25% and exports to off-shore markets have risen by 53% compared to the previous year. Recent indications are that sales will continue at relatively high levels during the 1984-85 year.

The uranium industry plays a significant role in the local economy with a number of national and international operations headquartered in Saskatoon. The demand for uranium has been growing at about 6% per annum.

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At the International Nuclear Conference held in Saskatoon in June, predictions were given that within the next decade Canada's share of the world uranium market would be more than 50%. Saskatchewan's share of world production is currently 13% and owing to the high grade deposits, this proportion will increase to more than 20%.

POPULATION

Saskatoon's population, according to the Saskatchewan Hospital Services Plan, as of June 30, 1984 is 170,748, an increase of 3.9% over last year.

In June of 1975, the population of Saskatoon stood at 132,780, for a respectable 28.6% increase over one decade.

EMPLOYMENT

The unemployment rate for Saskatoon was 10.4% for the month of June 1984, having dropped from 11.3% in May. The Canadian unemployment rate for June was 10.7% down from 11.7% one month earlier. At the end of June, Saskatchewan continued to have the lowest jobless rate in the country at 8.0%.

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EXHIBIT 3

AVERAGE WEEKLY EARNINGS IN SASKATOON FOR ALL EMPLOYEES BY INDUSTRY

INDUSTRY	April 1984	April 1983
Manufacturing	$454.96	$422.64
Transportation, Communication and Other Utilities	477.68	495.53
Trade	314.76	290.21
Finance, Insurance and Real Estate	405.39	404.73
Personal Service	328.56	311.39
Industrial Aggregate	366.09	349.53

Source: Statistics Canada
Catalogue 72-002

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EXHIBIT 4

SASKATOON BUSINESS LICENSE STATISTICS

CODE	SECTION "A" RETAIL	YEAR 1971	1976	1981	1984
1	Appliances	39	53	67	62
2	Auctioneers, 2nd Hand, Etc.	22	41	45	55
3	Auto Sales & Auto Bike Sales	22	43	46	54
4	Building Supplies, Lumber	17	23	39	39
5	Clothing	103	111	173	174
6	Department Stores	11	25	25	24
7	Drug Stores	49	39	43	44
8	Dry Goods	9	7	7	9
9	Frozen & Health Foods	3	4	10	9
10	Furniture Stores	25	43	72	63
11	Greenhouses & Nurseries	4	5	7	6
12	Groceries	106	86	88	88
13	Hardware & Sporting Goods	24	31	36	42
14	Hatcheries & Produce	2	3	3	3
15	Heating Dealers, Coal, Wood, Gas, Oil	5	6	5	4
16	Implement Agencies	16	26	28	32
17	Interior Furnishings, Paint, Flooring	13	34	36	34
18	Miscellaneous Retail Shops #1	106	125	209	216
19	Miscellaneous Retail Shops #2	54	81	136	183
20	Variety Shops	10	8	6	6
21	Used Car & Trailer Sales	30	41	30	25
		668	835	1,111	1,172
	SECTION "B" WHOLESALE & WAREHOUSE				
22	Wholesale Auto Supplies	19	26	25	27
23	Wholesale Dry Goods	3	8	5	6
24	Wholesale Drugs	2	4	4	4
25	Wholesale Farm & Road Machinery	11	13	11	7
26	Wholesale Food	33	39	42	38
27	Wholesale Hardware & Building Suppliers	69	86	139	139
28	Wholesale Oil	10	13	12	11
29	Wholesale Office - No Stock	7	2	5	2
30	Wholesale Specialty Equipment	71	74	90	93
31	Wholesale Miscellaneous	21	26	34	36
32	Warehousing, Transport, Etc.	53	86	91	88
		299	378	458	451

. . . /11

CODE	SECTION "C" MANUFACTURING	YEAR 1971	1976	1981	1984
33	**Printing - Commercial	-	-	-	15
34	Abattoir & Meat Packing	2	4	3	3
35	Bakeries	17	16	18	17
36	Bottling Works	3	9	14	11
37	Breweries	2	2	2	2
38	Creameries & Dairies	3	6	7	8
39	Flour Mills & Grain Storage	6	13	12	13
40	Seed & Feed	3	4	2	3
41	Miscellaneous Large	31	59	65	62
42	Miscellaneous Small	68	91	126	125
		135	204	249	259
	SECTION "D" SERVICES				
43	Automobile Repairs & Automobile Equipment Repairs	81	120	164	199
44	Cleaning (Dry Clean & Laundry)	30	31	38	32
45	Cleaning & Repairs Households	16	26	25	30
46	Cold Storage	2	4	8	8
47	Colleges	6	11	9	9
48	Contractors	59	84	117	104
49	Contractors (Sub)	131	187	255	252
50	Deliveries (Small)	11	7	6	11
51	Dining Restaurants	78	86	139	170
52	Dining Drive Inns	30	35	54	50
53	Dining Lunch Counters	34	36	43	52
54	Hotels (Hotel Only)	2	3	2	2
55	Hotels (Beverage Rooms Only)	1	1	2	2
57	Hotels (Dining Licensed)	1	1	2	1
58	Hotels (All inclusive)	15	20	18	19
60	Livestock Yards	3	2	2	2
61	Motels	12	14	16	16
62	Newspapers	2	2	2	4
63	Parking Garages	5	6	8	9
64	Parking Lots	36	40	39	44
65	Barber Shops	78	60	54	54
66	Beauty Parlors	66	65	88	102
67	Miscellaneous	45	61	56	50
68	Billiard Parlors	6	4	10	9
69	Bowling Alleys	4	4	5	5
70	Theatres	6	7	7	7
71	Theatres Drive-In	4	2	1	0
72	Recreation Miscellaneous	4	3	16	32
73	Artists	-	-	-	2
74	Rentals	3	4	9	11
75	Repairs (Small)	44	51	51	47

. . . /12

SECTION "D" SERVICES - Continued

76	Repairs (Large)	19	26	27	26
77	Service Stations	95	80	74	87
78	Studios	4	5	5	6
79	Trailer Parks & Auto Camps	6	10	9	5
80	Transportation (Bus)	-	-	-	-
81	Transportation (Railway Properties)	2	2	10	13
82	Miscellaneous Services	69	100	101	142
		1,029	1,226	1,424	1,614

		YEAR			
CODE	SECTION "E" PROFESSIONAL, FINANCIAL AND BUSINESS OFFICES	1971	1976	1981	1984
83	Doctors (Physicians & Surgeons)	125	130	149	156
84	Miscellaneous Professional Group #1	40	64	75	105
85	Miscellaneous Professional Group #2	95	132	213	233
86	Banks	36	39	50	56
87	Offices (Financial)	64	66	93	101
88	Offices (Service Type)	144	196	288	298
89	Offices (Selling a Product)	99	125	169	209
		603	752	1,029	1,158
90	Government Offices				31

Businesses On Assessment Roll January 1st

1971 - 2,737	1979 - 3,846
1972 - 2,828	1980 - 3,985
1973 - 2,854	1981 - 4,367
1974 - 3,206	1982 - 4,562
1975 - 3,288	1983 - 4,664
1976 - 3,405	1984 - 4,686
1977 - 3,490	1985
1978 - 3,675	1986

Miscellaneous Breakdowns of Categories

Miscellaneous Retail Shops #1: Confectionery, Delicatessen, Stationery, News Agency, Small Seed & Feed Stores, Pet Shops, Hobby Shops, Novelties , Stamp Dealer, Commercial Artist, Coffee Sales, Hearing Aids, Stapelers,Candy, Music & Book Store, Theatrical Supplies, Artificial Flowers, Church Supplies, Leather Goods, Masquerade Costumes, Highway Signs, Cake Decorations, Craftware, Silverware, Trophies, Watkins, Fuller Brush, Canadian Brush.

Miscellaneous Retail Shops #2: Gift Ware, Jewellery, Camera Store, Toy Shop, Art Shops, Photographic Studios, Flower Shops, Ski Shops, Bowling & Golf Shops, Lawn Ornaments, Landscaping Materials.

Wholesale (Specialty Equipment): Business Machines, Scales, Adders, Typewriters, Dictaphones, Calculators, Fire Equipment Sales, Cleaning Equipment, Hotel & Institutional, Medical Suppliers, Precision Instruments, Veterinary Supplies, Breath-O-Life Equipment, Food Machines, Hide Companies, Outboard Motors, Surgical Supplies, Beauty & Barber Shop Supplies, Toilet Supplies, Welding Supplies, Dental Supplies, Dairy Supplies, Radio & T.V. Equipment, Batteries, School Supplies, Oil Field Equipment.

Wholesale (Miscellaneous): Brooms, Liquid Air, Import Houses, Bedding, Furniture, Paper, Seed Grain, Seed & Feed, Jewellery.

Manufacturing Miscellaneous (Large): Oil Refinery, Concrete Products, Vegetable Oil, Building Supplies, Boilers, Oil Burning & Gas Burning Equipment, Cabinets, Patented Machines, Clothing, Foundries, Custom Steel Road Machinery, Sheet Metal Goods, Culverts, Ready-Mix Concrete, Mill Work.

Manufacturing Miscellaneous (Small): (Ironworks House railings, etc.) Venetian Blinds, Aluminum Windows, Custom Machinery, Awning Makers, Engine Rebuilding, Paper Box, Plasticraft, Extract Manufacturer, Vinegar Manufacturer, Industrial Welding, Electroplating, Truck Bodies, Concrete Drainage Equipment, Suburban Supplies, Land Packers, Television Lab, Union Carbide, Boats, Springs, Signs, Custom Machines, Marking Devices, Furniture, Eavetroughs, Chimney Liners.

Contractors (Sub): Plumbing, Heating, Electrical, Painting, Cabinet Shops, Flooring & Wall Tile, Sheet Metal, Roofing & Siding, Elevator Services, Industrial Structures, Overhead Door Installers, Landscaping, Masonry, Sandblasters, Sound Equipment Installers, Drywall Installers, Cement Contractors, Monuments, Sign Painting, Refrigeration (Commercial), Sprinklers, Irrigation, Welding, Air Conditioning, Water Supply.

Miscellaneous Services: Automatic Laundry, Automatic Soft Water Services, Rent-a-Car, Rent-a-Trailer, Ice Dealer, Taxidermist, Picture Framing, Dog Hospital & Veterinarians, Brinks Express, Photo Developing, Bindery, Engraving, Optical Grinding, Nursing Homes, Snow Ploughing & Parking Lot Maintenance.

Miscellaneous Professional Group #1: Veterinarian, Reflexology, Chiropractor, Physiotherapist,Medical Services Offices, Community Health Services, Optician, Optometrist, Masseur, Electrolysis, Dental Labs, Karate School.

Miscellaneous Professional Group #2: Engineers, Commercial Soil Labs, Land Surveyors, Consulting Engineers, Architects, Barristers, Accountants.

Offices (Financial): Financial, Trust & Loan Companies, Credit Unions, Investment Houses, Collection Agencies, Grain & Stock Brokers, Acceptance Companies.

Offices (Service Type): Life Insurance, General Insurance, Real Estate, Travel Bureau, Detective Agency, Office Services, Telephone Answering Services, Adjusters, Mailing Services, Memorial Associations.

Offices (Selling a Product): Manufacturers Agent, Advertising Agents & Magazine Agencies, Readers Services, Mail Order Houses (no stock), Miscellaneous Business Offices.

SOURCE: City Assessor's Department

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